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10 Attorneys for Defendants  
11 FEDERAL HOME LOAN BANK OF SAN FRANCISCO,  
12 ANITA ADAMS AND EMMANUEL UNGSON

13 UNITED STATES DISTRICT COURT  
14  
15 NORTHERN DISTRICT OF CALIFORNIA

16 FREDDIE LAMBRIGHT, JR.,

17 Plaintiff,

18 vs.

19 FEDERAL HOME LOAN BANK OF  
20 SAN FRANCISCO, ANITA ADAMS,  
21 EMMANUEL UNGSON and DOES 1-50,

22 Defendants.

Case No. C 07 4340 CW

**DECLARATION OF CECILY  
WATERMAN IN SUPPORT OF  
DEFENDANTS' MOTION TO DISMISS  
PLAINTIFF'S STATE LAW CLAIMS;  
MOTION TO DISMISS INDIVIDUAL  
DEFENDANTS; PETITION TO COMPEL  
ARBITRATION OF REMAINING CLAIMS**

Date: November 15, 2007

Time: 2:00 p.m.

Dept.: 2

Judge: Hon. Claudia Wilken

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1 I, Cecily A. Waterman, do hereby declare and state as follows:


2 1. I am a partner with the law firm of Morgan, Lewis & Bockius LLP,  
3 counsel for Defendants the Federal Home Loan Bank of San Francisco, Anita Adams and  
4 Emmanuel Ungson ("Defendants") in this action. The following facts are within my personal  
5 knowledge and, if called as a witness to testify, I could and would testify competently thereto.

6 2. On September 12, 2007, I sent a letter to Plaintiff's counsel, Waukeen  
7 McCoy, Esq., enclosing the Federal Home Loan Bank of San Francisco's Employee Handbook  
8 ("Handbook") (containing therein, the Dispute Resolution Procedure) and Plaintiff Freddie  
9 Lambright Jr.'s ("Plaintiff") acknowledgments of the Handbook(s). In my letter, I requested that  
10 Plaintiff submit his claims to binding arbitration. Attached hereto as Exhibit A is a true and  
11 correct copy of my September 12, 2007 letter, without its enclosures.

12 3. To date, Mr. McCoy has not responded to my letter or to Defendants'  
13 arbitration demand.

14 I declare under penalty of perjury under the laws of the United States and of the  
15 State of California that the foregoing is true and correct.

16 Executed this 28<sup>th</sup> day of September, 2007 at San Francisco, California.

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19 Cecily A. Waterman  
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# EXHIBIT A

Morgan, Lewis & Bockius LLP  
One Market, Spear Street Tower  
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**Morgan Lewis**  
C O U N S E L O R S   A T   L A W

**Cecily A. Waterman**  
Partner  
415.442.1268  
cwaterman@morganlewis.com

September 12, 2007

**VIA FACSIMILE & U.S. MAIL**

Waukeen McCoy, Esq.  
Law Offices of Waukeen McCoy  
703 Market Street, Suite 1407  
San Francisco, California 94103

Re: *Lambright v. Federal Home Loan Bank of San Francisco, Anita Adams and Emmanuel Ungson, USDC Northern District of California – Case No. C07-4340 (CW)*

Dear Mr. McCoy,

Pursuant to the Federal Arbitration Act, 9 U.S.C. §§2 & 3, and Section 1281.2 of the California Code of Civil Procedure, Defendants Federal Home Loan Bank of San Francisco ("FHLB"), Anita Adams and Emmanuel Ungson (collectively "Defendants") hereby demand arbitration in accordance with the agreement(s) Mr. Lambright signed during his employment with FHLB.

On May 14, 1997, Mr. Lambright signed an acknowledgment of receipt of FHLB's employee handbook. The acknowledgement states: "These policies and procedures are the operative terms and conditions under which the Bank will offer employment ...." "I understand it is my responsibility to read, understand and follow the policies, practices and procedures during my employment with the Bank." The acknowledgement specifically references FHLB's "Dispute Resolution Procedure, providing for binding arbitration." For your reference, a true and correct copy of Mr. Lambright's May 14, 1997 acknowledgment is attached as **Attachment 1** to this letter.

Mr. Lambright signed subsequent acknowledgments of the Bank's arbitration policy on January 9, 2003, January 28, 2004, July 14, 2004, January 12, 2005, March 23, 2006 and February 9, 2007. For your reference, true and correct copies of Mr. Lambright's acknowledgments are attached as **Attachment 2** to this letter.

The FHLB's Employee Handbook is enclosed herewith. The Dispute Resolution Procedure is set forth at pages 17-21.

Waukeen McCoy  
September 14, 2007  
Page 2

**Morgan Lewis**  
COUNSELORS AT LAW

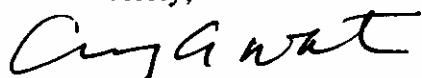
In accordance with the Dispute Resolution Procedure, Defendants FHLB, Adams and Ungson designate the following potential arbitrators:

Hon. William J. Cahill (Ret.)  
Hon. Ellen Sickles James (Ret.)  
Gerald R. McKay  
Hon. Richard L. Patsey (Ret.)  
Catherine A. Yanni

Please notify me no later than **12:00 p.m. September 17, 2007** if Mr. Lambright will submit his claims to binding arbitration in accordance with the Dispute Resolution Procedure. Defendants are prepared to move the claims against them forward in binding arbitration. If your client does not submit his claims against the Defendants to arbitration, the FHLB will file a motion to compel arbitration based upon the above-referenced agreements. Additionally, please notify me no later than **5:00 p.m. September 27, 2007** if Mr. Lambright will accept one of FHLB's proposed arbitrators.

Thank you for your prompt attention to this matter.

Sincerely,



Cecily A. Waterman

Attachments